

PALISADES TIMBER SALE

NOTICE OF SALE

Department of Natural Resources & Conservation Timber Sale

The Palisades Timber Sale is located within Sections 3,5,6,7,8,9,10, & 11, T7S-R19E, on the State's Southern Land Office. Approximately 41,110 tons, consisting of lodgepole sawlogs is offered for sale.

Sealed bids will be opened at the Department of Natural Resources & Conservation, 2705 Spurgin Road, Missoula, Montana on **October 28, 2013 at 2:00 p.m.** Bids may be hand delivered or mailed and will be accepted any time prior to the bid opening. **DNRC recommends that bidders contact the Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.** Bids must be accompanied by a deposit of **\$24,152.00**, representing 5% of the minimum bid value of the sale in cashier's check, certified check, bank money order or bank draft to be applied to the stumpage for the successful bidder. Bid bonds will be accepted and, for the successful bidder, will be closed upon execution of the Timber Sale Contract and Timber Sale Bond.

The sale will be awarded to the highest responsible bidder. If the successful bidder is unable to execute the contract within **30** calendar days from the date the sale is awarded, the bid deposit will be retained by the Department as liquidated damages. The right is reserved to reject any or all bids.

Prospective bidders can obtain the sale prospectus, sale contract and bid forms from the Department of Natural Resources & Conservation, Trust Land Management Division, in Missoula (406-542-4300), or the Southern Land Office in Billings, MT (406-247-4403).

Visit our website at <http://www.dnrc.mt.gov/trust/timber/bids.asp> for upcoming sales and bid results.

/s/ SONYA GERMANN, Chief
Forest Management Bureau
Trust Land Mgmt Division

Publication Dates: September 26, October 3, 10, 17, 2013

TIMBER SALE PROSPECTUS
MONTANA DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

Timber Sale Name: Palisades			
Timber Sale Location: Sections 3,5,6,7,8,9,10, & 11, T7S-R19E			
For specific sale information, contact:			
Phone	406-247-4403	Brad Shoemaker	Southern Land Office
For copies of the Timber Sale Contract and bid forms, contact:			
Phone	406-542-4300	Forest Management Bureau	DNRC Missoula Office

General Bidding Information

1. Bids must be submitted on standard Department of Natural Resources & Conservation (Dept) bid forms.
2. Timber will be sold to the highest responsible bidder; however, the Dept reserves the right to reject any or all bids.
3. The Dept recommends that bidders contact the Forest Management Bureau, Trust Land Management Division (406-542-4300) prior to the bid opening to ensure that your bid has been received.
4. A **Bid Guarantee** must accompany all bids and must be in the form of cash, cashiers check, certified check, money order, bank draft, surety bond or irrevocable letter of credit.
5. The Purchaser must submit a **Performance Bond** to the Dept within a maximum of 30 days of notification of sale award. The bond amount will be, at a minimum, 20% of the total bid value of the sale. The performance bond may be in the form of cash, irrevocable letter of credit, surety bond or certificate of deposit. The performance bond must be maintained separately from other payments for the duration of the sale contract. See the Timber Sale Contract for additional information.
6. The Purchaser must submit an **Advance Stumpage Payment** prior to cutting any timber. The amount of the advance stumpage payment will be based on the expected harvest rate and the bid value of the stumpage. The advance stumpage payment may be in the form of cash, irrevocable letter of credit, payment bond or certificate of deposit.
7. At rates specified in the Contract, the Purchaser will pay **Forest Improvement Fees** on all sawlog volume. All applicable **Road Use and/or Maintenance fees** will also be paid by the Purchaser in addition to stumpage payments.
8. This sale is being sold based on the gross weight of all species. Minimum price and bid price are on a per ton basis. Unless specified, the price applies to all species, green and dead. Price may vary by product. Billing will be based on gross weight. A weight ticket from a certified scale is required for each load hauled, regardless of product type.
9. The Dept has estimated the net scale merchantable sawlog volume to be available for purchase under this contract. Other products may be part of this sale. All delivered wood will be weighed and billed at per ton bid rates. The Dept recognizes that a percentage of delivered wood may not meet the log manufacturing and recovery standards of the timber sale contract. The actual percentage will vary based on the log manufacturing and recovery specifications of the purchaser and tree conditions in the sale area. The actual delivered weight may vary, resulting in an overrun or under-run of the estimated tonnage. The Dept strongly recommends that bidders evaluate these effects before bidding.
10. The Dept does not conduct detailed road appraisals. All appraised costs are gross estimates or averages, provided only to show the relative amount of work required, and not the true market value. The Dept strongly recommends that bidders make their own estimates based on contract requirements. Cost estimates provided are not guaranteed.
11. Bidders are encouraged to examine the complete Timber Sale Package and Sale Area prior to bidding. Additional information is available at the phone numbers shown above.
12. Estimates for sale volume, species percents, defect, product class, etc. provided in this prospectus and volume estimates listed in the sale contract are not guaranteed.
13. This prospectus is provided for information purposes only. If the prospectus is in error or contradicts the Timber Sale Contract, the contract governs.

Additional Sale Information:

1. The operating season for this timber sale is June 15 – April 1, as soil and moisture conditions allow. No mechanical equipment or log hauling equipment may operate when the ground is wet and rutting of the unit and road surface may occur. The specific operating period for road construction is June 15 – November 15, as conditions allow.
2. As described in the Timber Sale Contract and Attachment B, substantial road construction, reconstruction, and reclamation work is required. A pre-operations meeting between the Purchaser and the State must be conducted prior to beginning activity on the sale area. The Forest Officer will accommodate the Purchaser's construction schedule, but the Purchaser must provide the Forest Officer with a minimum of two days' notice for all stream crossings constructed with culverts 36" in diameter or less, and two week notice for all stream crossing constructed with culverts greater than 36" in diameter. All Temporary Spur Roads must be mechanically ripped after haul use is completed and prior to the Contract Termination Date.
3. Unit boundaries are designated on the maps attached to the Timber Sale Contract. In all areas indicated on the attached map where the harvest unit boundary follows the forest/meadow edge, that edge is the boundary. Any area where the harvest unit boundary is not the forest/meadow edge that boundary is painted and flagged in blue paint.
4. Purchaser is responsible to ensure the Southern Land Office receives the load reports (truck weight tickets) with corresponding load tickets on a bi-weekly basis.
5. To access the sale area:
 From Billings or points east: Take I-90 exit 434 for Laurel, MT and head south on US-212. Upon entering Red Lodge turn right to MT-78 north at the fire station. Follow MT-78 for approximately 8.3 miles and take a slight left on Upper Luther Road. Follow Upper Luther Road for approximately 0.8 miles. Pass a large paved driveway on the left (south) and turn left on the two-track access route immediately after, this is the main haul route. Follow the two-track for 1.2 miles. At that point you will cross through a gate and will have entered State Section 3. Continue following the two-track south parallel to the fence to tree line. At tree line you will be in the southeast corner of Section 3.

 From Points west: Take I-90 exit 408 for Columbus, MT and head south on MT-78. Follow MT-78 for approximately 38.5 miles and take a sharp right on Upper Luther Road. Follow Upper Luther Road for approximately 0.8 miles. Pass a large paved driveway on the left (south) and turn left on the two-track access route immediately after, this is the main haul route. Follow the two-track for 1.2 miles. At that point you will cross through a gate and will have entered State Section 3. Continue following the two-track south parallel to the fence to tree line. At tree line you will be in the southeast corner of Section 3.

 No other access is authorized by the State, including the private gravel road running parallel to the main access road beginning at Upper Luther Road. No formal bidders' tour is planned, but potential bidders are encouraged to contact Brad Shoemaker at the phone number above for additional information.
6. OTHER MATERIAL: Purchaser has the option of removing other material (non-sawlog material) at a negotiated price through a contract amendment as determined by the Forest Officer.

Timber Sale Information Sheet
Montana Department of Natural Resources and Conservation

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PALISADES TIMBER SALE										
Timber Sale Cruise Data										
SPECIES	PP	DF	WL	LP	ES	WF	CE	WP	Dead	TOTAL or AVE
Minimum Bid										\$11.75/ton
Pounds per cubic foot				51						
Estimated tons of sawlogs (5.6" top DIB)				41,110						41,110 tons
Estimated tons of other material (pulp, etc)										0 tons
Gross MBF (Scribner 5.6" top DIB)				6,706						6,706 MBF
% Cull and Breakage				10						10.3%
Net MBF (Scribner 5.6" top DIB)				6,013						6,013 MBF
Average logs per MBF				24						24.0 logs/M
Average DBH				10						10.0 in.
Average tons per acre harvested in cut species designation units										52 tons/ac
Average MBF to cut per acre on the timber sale										7.6 MBF/ac
Range of cut trees per acre based on unit cruise										46-413
Calculated Sampling Error: Total cruised volume will fall between			5,430 and 6,596 Net MBF in 9 out of 10 cruises							9.7%
Tons Per Thousand Board Feet										
Contract Value - Estimated tons hauled per thousand Scribner board feet	41,110 estimated tons to a 5.6 inch top / 6,013 Net MBF Scribner to a 5.6 inch top DIB									6.84 tons/MBF

Contract Information		
Contract ending date	11/30/2016	
Contract length	37 months	
Operating Season:	June 15 - April 1 when soil and moisture conditions allow	

Timber Sale Information Sheet
Montana Department of Natural Resources and Conservation

Page 2

Logging Information	
% of volume logged by clearcut or seed tree cut	00%
% of volume logged with tractors	100%
% of volume logged by ground lead (jammer)	00%
% of volume logged by skyline	00%
Yarding distance tractor (average)	650 ft.
Yarding distance ground lead (average)	0 ft.
Estimated haul distance (paved)	113.0 miles
Estimated haul distance (unpaved)	5.0 miles

Purchaser fees and estimated costs	
Forest Improvement fee perMBF	\$2.00/MBF
Forest Improvement fee per ton	\$0.29/ton
Forest Improvement fee estimated total	\$11,921.90
Forest Improvement fee quarterly installment	\$1,986.98
Estimated Purchaser-do FI total \$	\$0
Estimated Purchaser-do FI per ton	\$0.00/ton
Estimated Purchaser-do slash disposal work total	\$0.00
Estimated Purchaser-do slash disposal work per ton	\$0.00/ton
Bid Guarantee (total \$)	\$24,152.00
Performance Bond	20% of bid value

Road development and maintenance fees and estimates	
Estimated road development cost total	\$275,068
Estimated road development cost per ton	\$6.69/ton
Estimated road development cost perMBF	\$45.75/MBF
Estimated Purchaser-do road maintenance cost total	\$5,479
Estimated Purchaser-do road maintenance cost per ton	\$0.13/ton
Private road maintenance charges per ton	\$0.00/ton
Miles of road construction (permanent)	4.1 miles
Miles of road construction (temporary)	4.9 miles
Miles of road reconstruction	3.8 miles
Miles of road reclamation or abandonment	1.7 miles
Miles of road maintenance and blading	13.3 miles

Timber Sale Information Sheet
Montana Department of Natural Resources and Conservation

Unit harvest volume				
Unit #	Acres	Est Tons	Est MBF	Harvest date
5.1	18	768	119	10/15/2016
6.1	30	1,394	207	10/15/2016
6.2	3	178	25	10/15/2016
6.3	2	93	13	10/15/2016
7.1	179	10,748	1,528	10/15/2016
7.2	39	1,289	206	10/15/2016
7.3	13	428	68	10/15/2016
8.1	43	2,262	344	10/15/2016
8.2	26	1,518	195	10/15/2016
8.3	26	1,353	206	10/15/2016
8.4	21	995	141	10/15/2016
8.5	19	823	128	10/15/2016
8.6	16	667	90	10/15/2016
8.7	11	579	88	10/15/2016
8.8	9	362	49	10/15/2016
8.9	6	362	47	10/15/2016
8.11	5	210	28	10/15/2016
8.12	3	179	27	10/15/2016
8.13	1	56	8	10/15/2016
9.1	41	1,356	176	10/15/2016
9.2	22	728	95	10/15/2016
9.3	13	881	122	10/15/2016
9.4	13	652	100	10/15/2016
9.5	2	83	13	10/15/2016
10.1	81	5,172	811	10/15/2016
10.2	37	1,469	216	10/15/2016
10.3	30	2,019	280	10/15/2016
10.4	29	2,300	371	10/15/2016
10.5	14	560	82	10/15/2016
10.6	12	786	109	10/15/2016
10.7	11	425	62	10/15/2016
11.1	14	415	59	10/15/2016
	789 Ac.	41,110 tons	6,013 MBF	

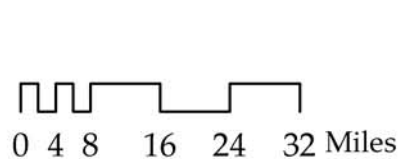
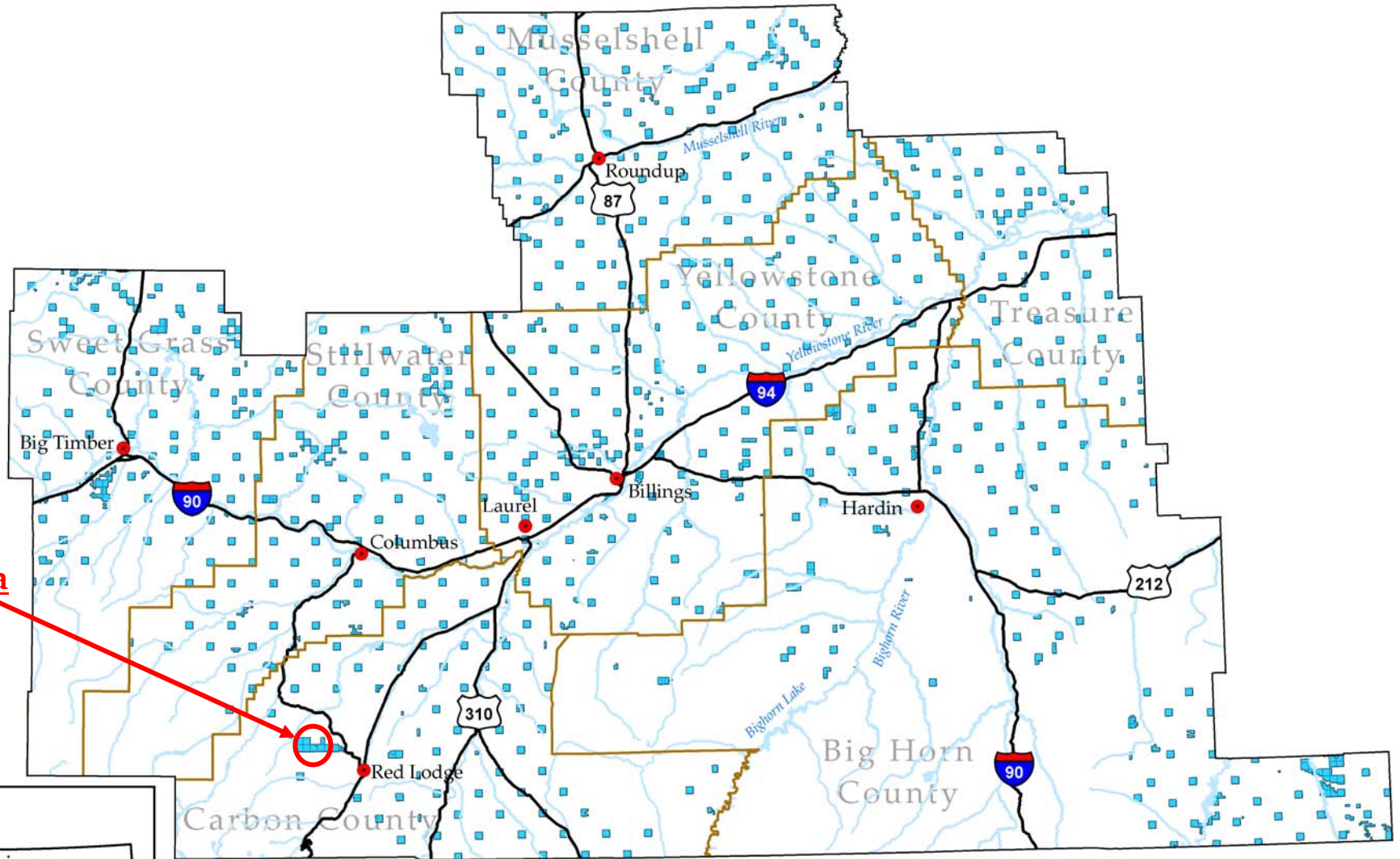
Timber Sale Information Sheet
Montana Department of Natural Resources and Conservation

Legal description by trust					Unit harvest volume			
Legal description - subdivisions	Section	Twn	Rge	Grant	Unit #	Acres	Est Tons	Est MBF
SE 1/4	5	7S	19E	SRS	5.1	18	768	119
S 1/2	6	7S	19E	ACI	6.1	30	1,394	207
SW 1/4	6	7S	19E	ACI	6.2	3	178	25
SW 1/4	6	7S	19E	ACI	6.3	2	93	13
W 1/2	7	7S	19E	SRS	7.1	179	10,748	1,528
NE 1/4	7	7S	19E	SRS	7.2	39	1,289	206
E 1/2	7	7S	19E	SRS	7.3	13	428	68
W 1/2	8	7S	19E	ACI	8.1	43	2,262	344
E 1/2	8	7S	19E	ACI	8.2	26	1,518	195
SW 1/4	8	7S	19E	ACI	8.3	26	1,353	206
NE 1/4	8	7S	19E	ACI	8.4	21	995	141
NE 1/4	8	7S	19E	ACI	8.5	19	823	128
SE 1/4	8	7S	19E	ACI	8.6	16	667	90
SW 1/4	8	7S	19E	ACI	8.7	11	579	88
NE 1/4	8	7S	19E	ACI	8.8	9	362	49
SE 1/4	8	7S	19E	ACI	8.9	6	362	47
SE 1/4	8	7S	19E	ACI	8.11	5	210	28
SW 1/4	8	7S	19E	ACI	8.12	3	179	27
NE 1/4	8	7S	19E	ACI	8.13	1	56	8
W 1/2	9	7S	19E	SRS	9.1	41	1,356	176
E 1/2	9	7S	19E	SRS	9.2	22	728	95
E 1/2	9	7S	19E	SRS	9.3	13	881	122
W 1/2	9	7S	19E	SRS	9.4	13	652	100
NW 1/4	9	7S	19E	SRS	9.5	2	83	13
S 1/2	10	7S	19E	ACI	10.1	81	5,172	811
NE 1/4	10	7S	19E	ACI	10.2	37	1,469	216
W 1/2	10	7S	19E	ACI	10.3	30	2,019	280
NW 1/4	11	7S	19E	SRS	10.4	13	1,031	166
NE 1/4	10	7S	19E	ACI	10.4	16	1,269	205
NW 1/4	10	7S	19E	ACI	10.5	14	560	82
SE 1/4	10	7S	19E	ACI	10.6	12	786	109
NW 1/4	10	7S	19E	ACI	10.7	11	425	62
SW 1/4	11	7S	19E	SRS	11.1	14	415	59
See Instructions for how to fill in this table								
Totals						789 Ac.	41,110 T	6,013 M

PALISADES TIMBER SALE VICINITY MAP – SOUTHERN LAND OFFICE



Project Area

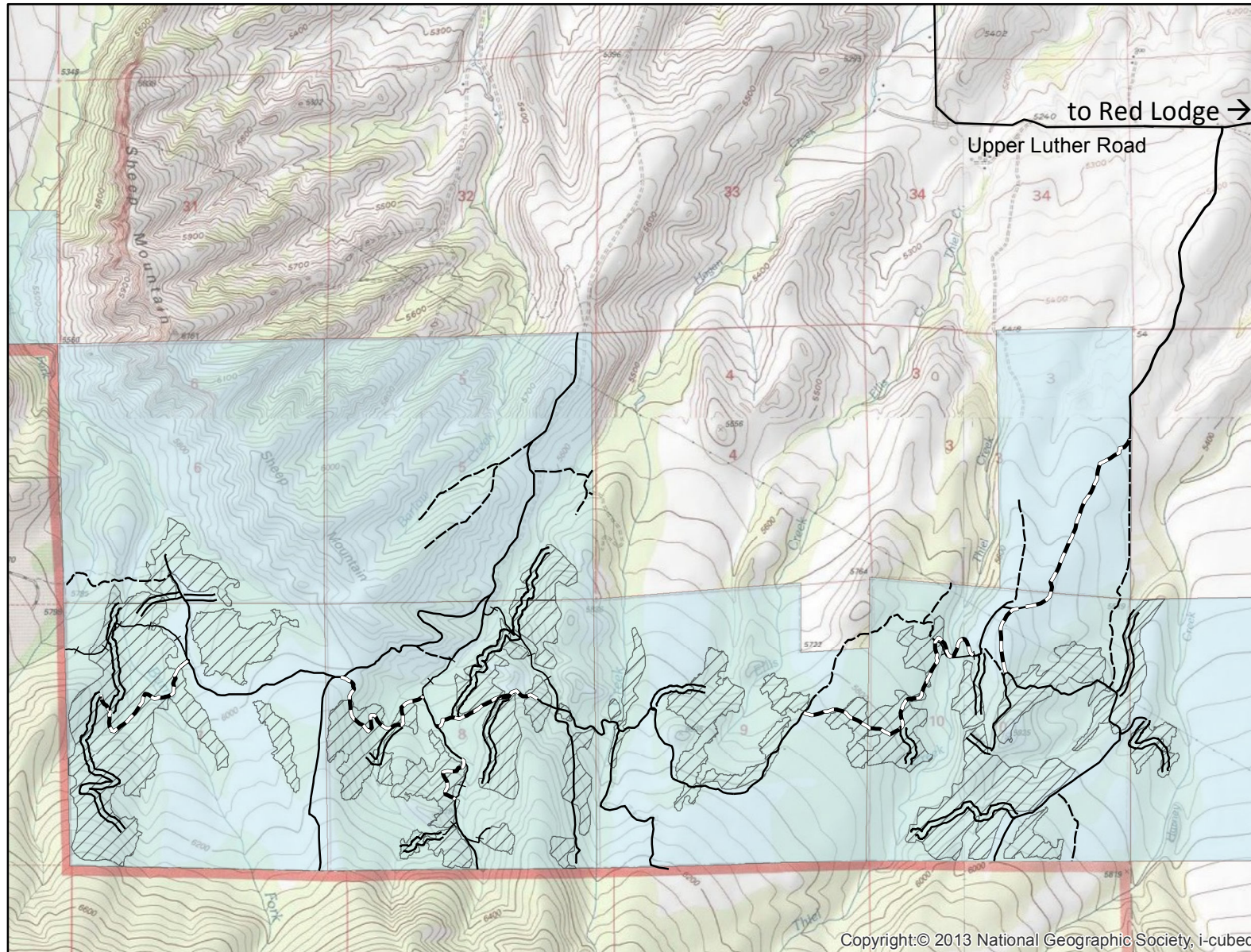


Produced by Montana Department of Natural Resources and Conservation 2013
Datum: NAD 1983 Montana State Plane

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|-----------------|--------------------|
| ● Towns | — Rivers |
| □ County Border | ■ Water Bodies |
| — Major Roads | ■ State Trust Land |

Palisades Timber Sale

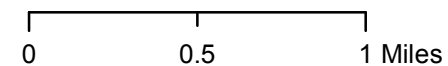
Sections 3, 5, 7, 8, 9, 10, and 11
Township 7 South, Range 19 East



Legend

Project Area Roads

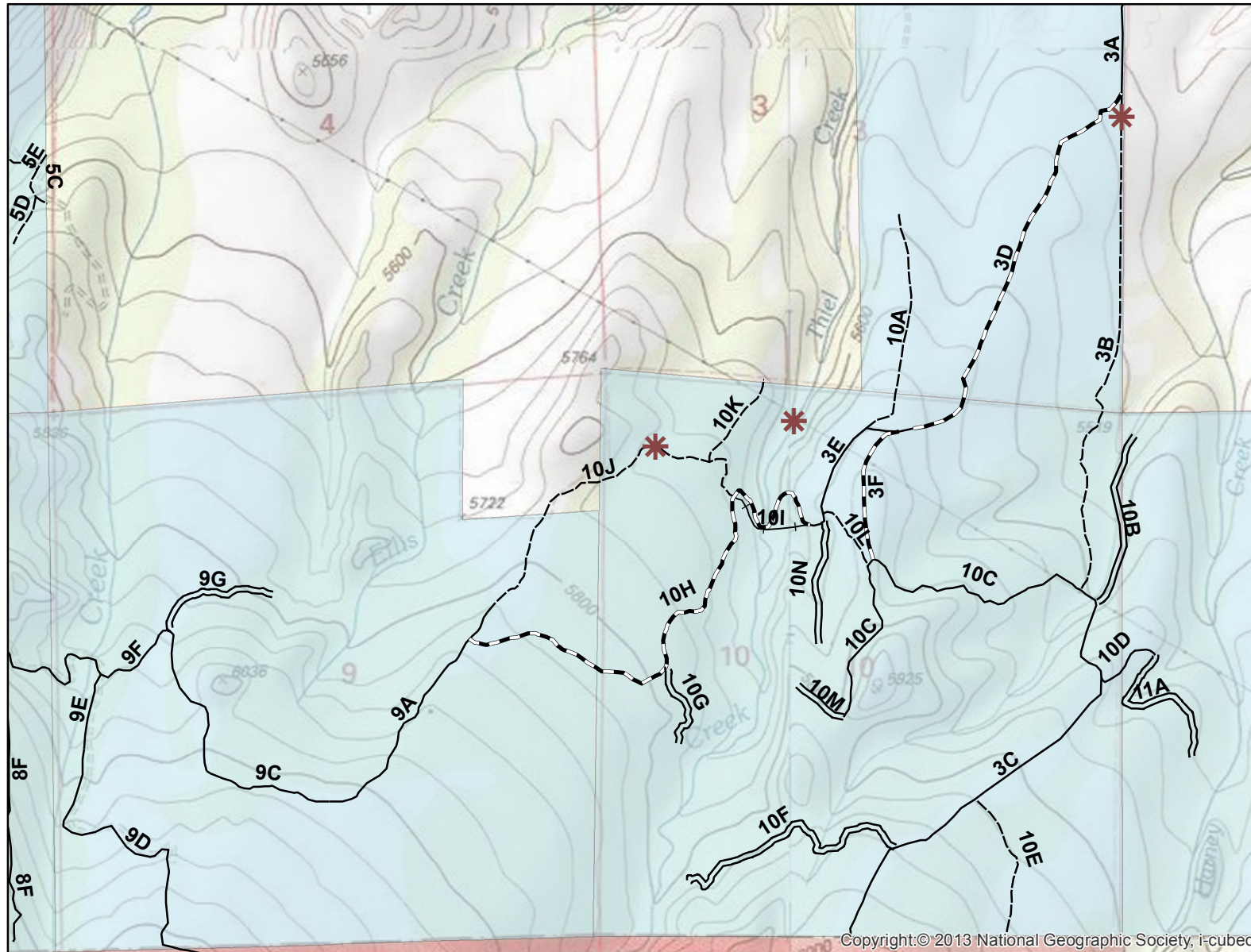
- Existing Motorized Trail
- Existing, Permanent
- +—+ Existing, Reclaimed
- +—+ New, Permanent
- ==== New, Temporary
- Non-State, Permanent
- Harvest Units
- Trust Land Parcels



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Palisades Timber Sale - East Half Roads

Sections 3, 5, 7, 8, 9, 10, and 11
Township 7 South, Range 19 East



Legend

* Additional Culvert Removals

Project Area Roads

--- Existing Motorized Trail

— Existing, Permanent

+ Existing, Reclaimed

--- New, Permanent

== New, Temporary

— Non-State, Permanent

Trust Land Parcels

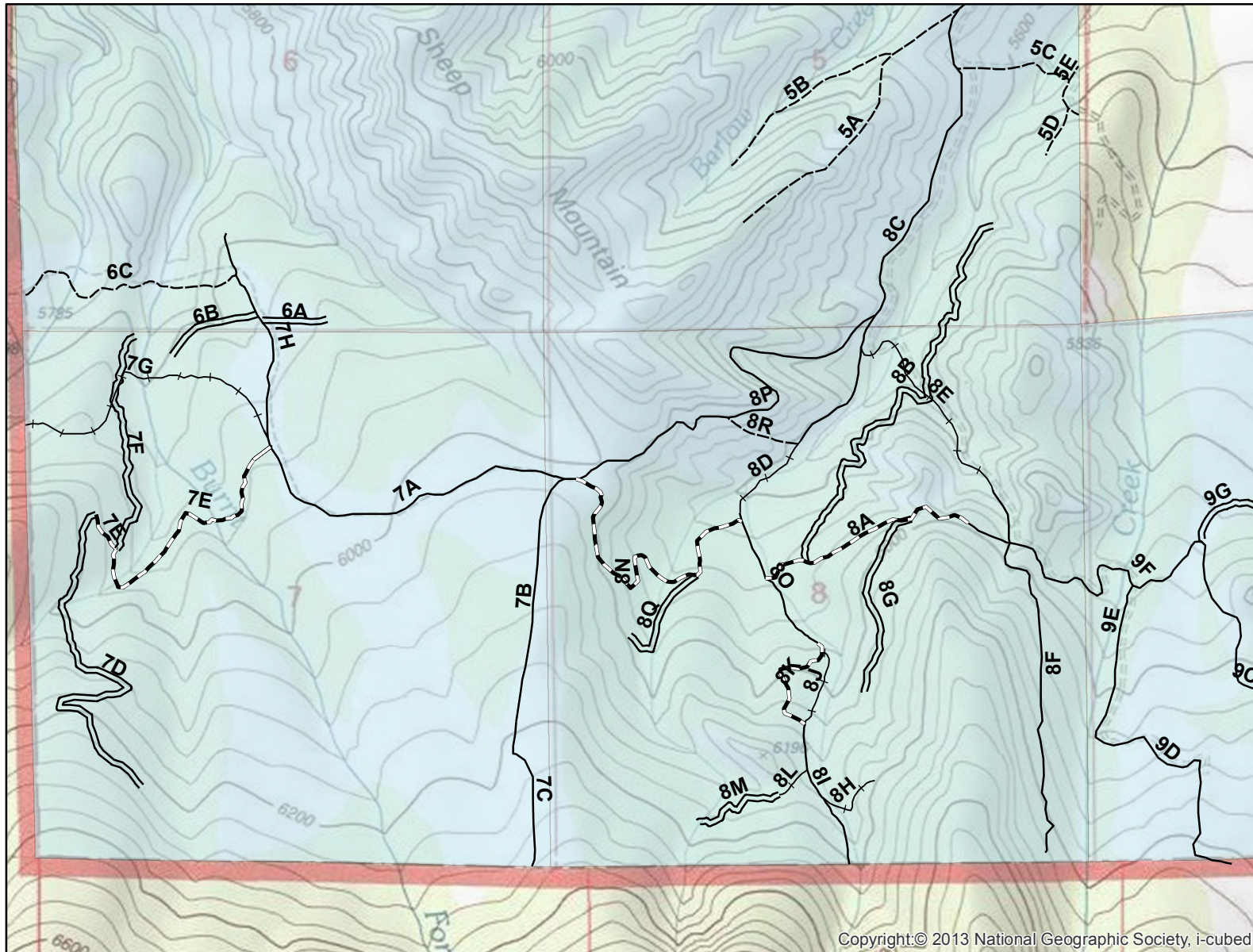


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Palisades Timber Sale - West Half Roads

Sections 3, 5, 7, 8, 9, 10, and 11
Township 7 South, Range 19 East



Legend

Project Area Roads

- Existing Motorized Trail
- Existing, Permanent
- +—+ Existing, Reclaimed
- - - - - New, Permanent
- ==== New, Temporary
- Non-State, Permanent
- Trust Land Parcels

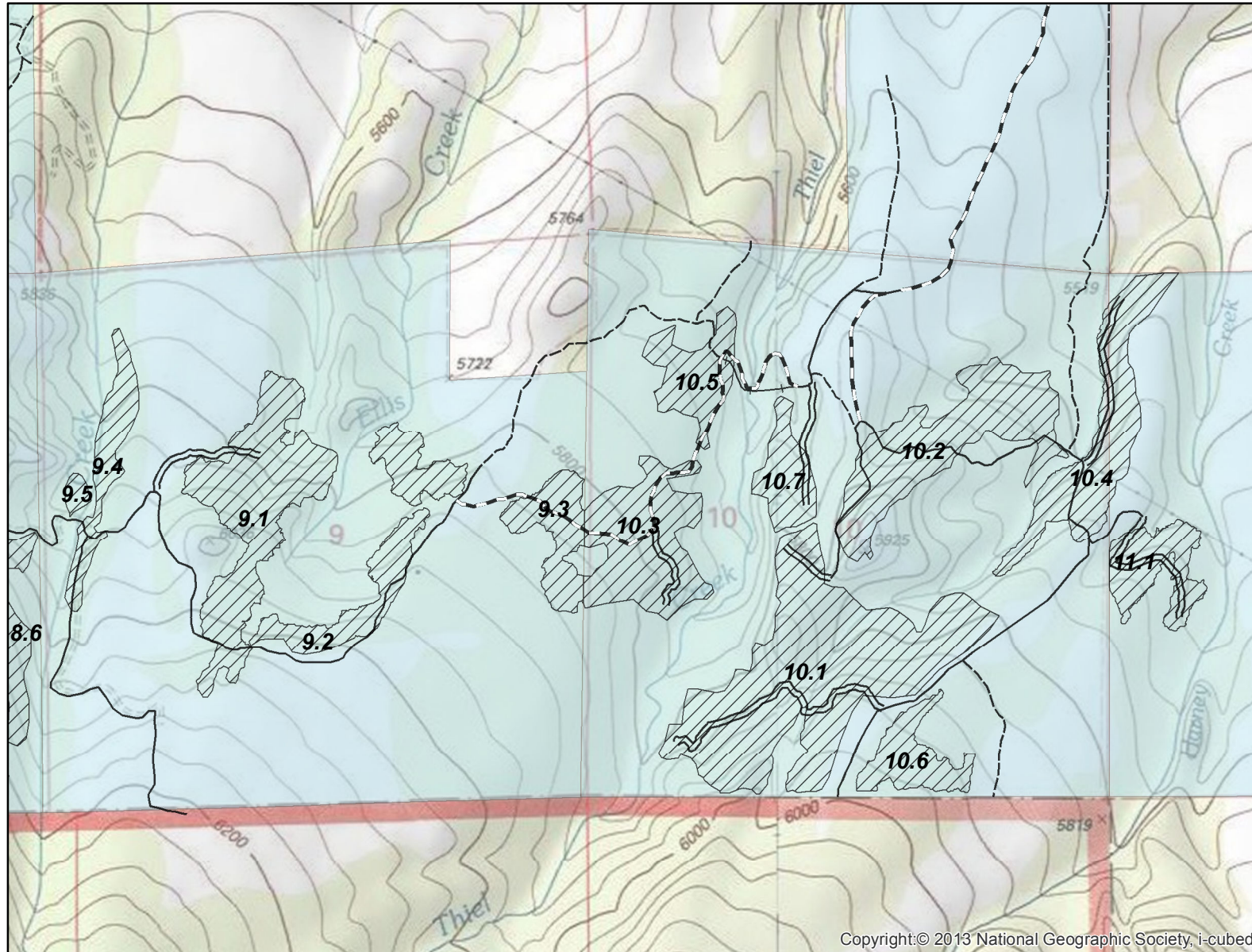


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Palisades Timber Sale - East Half Units

Sections 3, 5, 7, 8, 9, 10, and 11
Township 7 South, Range 19 East



Legend

Project Area Roads

- Existing Motorized Trail
- Existing, Permanent
- + + Existing, Reclaimed
- - - New, Permanent
- ==== New, Temporary
- Non-State, Permanent
- Harvest Units
- Trust Land Parcels

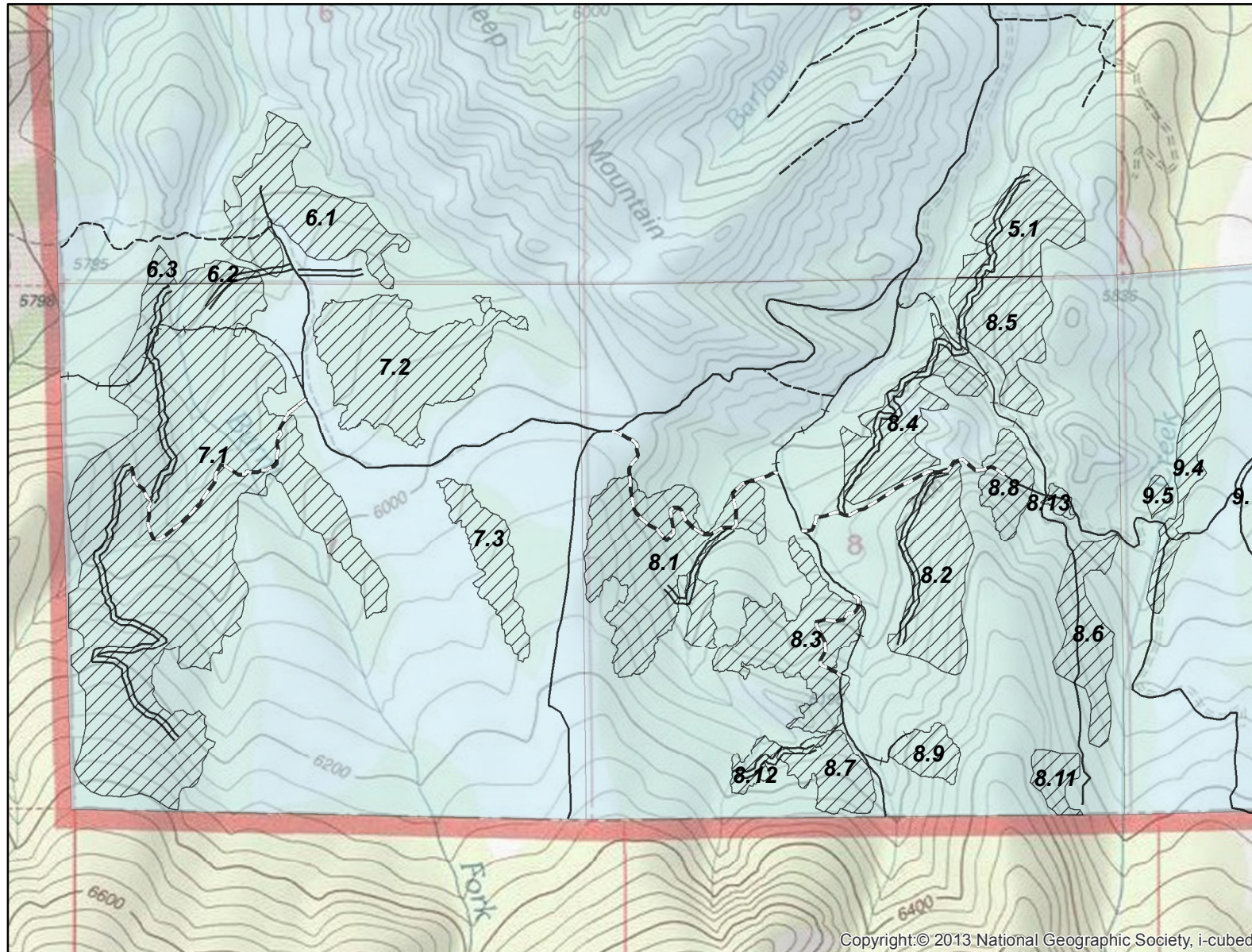


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Palisades Timber Sale - West Half Units

Sections 3, 5, 7, 8, 9, 10, and 11
Township 7 South, Range 19 East



Legend

Project Area Roads

- Existing Motorized Trail
- Existing, Permanent
- + + Existing, Reclaimed
- - - New, Permanent
- ==== New, Temporary
- Non-State, Permanent
- ▨ Harvest Units
- Trust Land Parcels

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